



Senior Level Steering Group Senior Assessment Team



FY 2010, 3rd Quarter Meeting

Thursday, April 22, 2010

1300-1400

Pentagon Conference Center, B1



Agenda

- ARRA Quarterly Requirements
- Pilot Statement of Assurance (SOA) Tool
- Managers' Internal Control Program (MICP) VTC
- FY 09 Weaknesses Identified in Feeder Statements, Not Reported as Material Weaknesses in the Army SOA
- FY 10 Schedule of Upcoming Events
- FY 10 Milestones Schedule for Material Weaknesses



ARRA

- Risk Assessment/Gap Analysis and Risk Profile Quarterly Requirements
 - After initial submission of deliverables – only updates are needed
 - Submitted 2nd quarter 2010 report on 31 March
 - Nearly all submissions received on time
 - No significant issues reported
 - 3rd quarter due 30 June to OSD, input due to ASA(FM&C) FO 7 June



Pilot SOA Tool/MICP VTC

- Army is testing an automated tool developed by the Navy for submission of the annual statement of assurance and tracking of material weaknesses
 - Two Army organizations (ASA (ALT) and G-4) with material weaknesses are in the process of testing
 - Pilot results expected prior to end of FY 2010
- MICP VTC was conducted on 6 April with Internal Control Administrators from 26 of 44 reporting agencies Army-wide. Agenda included:
 - Updates on AR 11-2 Rapid Action Revision
 - DODI 5010.40, FY 2010 Annual Statement guidance
 - Planned MICP CBT training
 - Internal Control Evaluation Plan recommendations
 - ASOA feedback



FY 09 Weaknesses Not Reported Requiring Action from Functional Proponents

- OCIE Tracking – Reported by NGB, Functional Proponent: G4
 - Weakness Part 1) The ability to change/alter record info in CIF-ISM
 - Weakness Part 2) Lack of data within TAPDB-G (ARNG application) to interface with EMILPO (Army application)
 - Action Requested by NGB in FY 09 Statement: HQDA(G4) should coordinate with software vendor to ensure process of obtaining required information for both Army systems application and ARNG application compatibility.
 - Update Status: Closed
 - Part 1: The Army National Guard, Army Logistics Division and HQDA(G4) have determined that the ability to modify clothing records is not a material weakness. This will be resolved through a series of reports that will show OCIE records transfers. Two ECPs will be provided by ARNG to the CIF-ISM CCB.
 - Part 2: The Army National Guard, Army Logistics Division and HQDA(G4) have determined that the TAPDB-G database appears to be providing all necessary data; the vendor will test how to manipulate the



FY 09 Weaknesses Not Reported Requiring Action from Functional Proponents

- **Personnel Accountability Strength Reporting - Reported by USARPAC, Functional Proponent: G1**
 - Problem stated in FY 09 Statement: The current Army Regulation does not adequately portray nor regulate current PASR (Personnel Accountability and Strength Reporting) processes and procedures as performed either in the deployed or garrison environments.
 - G-1 evaluated and staffed with the HRC. Not considered HQDA-level weakness because issues can be addressed in update of AR 600-8-6
 - Update Status: Closing FY 10. The newly published FM 1-0 has resolved the problem.



FY 09 Weaknesses Not Reported Requiring Action from Functional Proponents

- **Environmental Liabilities Management - Reported by AMC, Functional Proponent: ACSIM**
 - AMC transferred most environmental specialists and engineers that performed Environmental Program Management to ACSIM on 1 October 2002. The responsibility for Environmental Program Management for AMC Special Installations still remains with AMC as per AR 200-1, published in 2007.
 - Action requested by AMC in FY 09 Statement: AMC suggested HQDA clarify AMC role and responsibilities with update to AR 200-1 in relation to IMCOM technical/advisory capacity.
 - Update Status: Open
 - AR 200-1 was revised to shift the vast majority of base installation functions of the Environmental Program from AMC to Installation Management Command (IMCOM). All funding for the program goes through the Installation Management Command (IMCOM). However, overall responsibility still resides with AMC for the Environmental Program. Due to this, 2 employees have been hired and 4 more projected to be hired by summer 2010 to provide procedures, processes, and reporting requirements for the program to comply with internal control issues. A joint study of the Environmental program is currently being conducted by AMC and IMCOM to provide guidance, recommendations, and solutions for the program. It is projected that it will take 5 years before the



FY10 Completed Events

	DATE	EVENT	OPR
✓	Thursday, October 29, 2009	1st Qtr Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
✓	Monday - Tuesday November 23-24	OSD FY10 MICP Training Conference (Navy Yard)	OSD-Comptroller
✓	Thursday, December 17, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
✓	Friday, December 18, 2009	SAT Memorandum, SAT Membership and Charter, Organization Chart, Ethics Policy, Process Flows and Narratives	SAFM-FO
✓	Thursday, January 7, 2010	MICP VTC	SAFM-FO
✓	Thursday, January 14, 2010	2nd Qtr Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
✓	Tuesday, March 02, 2010	SAT Memorandum, Risk Assessment, Federal Information Security Management Act (FISMA) Report, and List of Auditor Identified Weaknesses	SAFM-FO
✓	Monday, March 08, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
✓	Tuesday, April 6, 2010	MICP VTC	SAFM-FO
✓	Thursday, April 22, 2010	3rd Qtr Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG



FY10 Schedule of Upcoming Events

	DATE	EVENT	OPR
	Monday, May 17, 2010	Annual statements from Army Commands (ACOMs), Army Service Component Commands (ASCCs) and Direct Reporting Units (DRUs) due to OASA (FM&C)	Commands
	Tuesday, June 01, 2010	Annual statements from HQDA Principals due to OASA (FM&C)	HQDA Principal Staff
	Monday, June 07, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
	Tuesday, June 22, 2010	MICP VTC	SAFM-FO
	Friday, June 25, 2010	Draft Army statement delivered to HQDA staff agencies for coordination	SAFM-FO
	Friday, July 09, 2010	HQDA staff agency comments on draft Army statement due to OASA (FM&C)	HQDA Principal Staff
	Monday, July 15, 2010	SAT Memorandum that provides Assurance, ICOFR SOA Tabs, and Control Assessments	SAFM-FO
	Thursday, July 15, 2010	4Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
	Wednesday, August 18, 2010	Final signed Army statement delivered to the Secretary of Defense	SAFM-FO
	Tuesday, September 07	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO



Oversight of Service Contracts

Description: Inadequate oversight. Corrective Measures focus on training, appointment of Contracting Officers Representatives, preparation of plans and conduct of surveillance.

Date	Task Description	OPR	Status
3 rd Qtr FY10	AR 70-13 on Management and Oversight of Service Contracts	ASA(ALT)	Awaiting Army Publishing to publish document.
2 nd Qtr FY10	Leadership Focus Message	ASA(ALT)	Chief of Staff of the Army memo issued to ensure compliance by all of the Army. Action complete.
3 rd Qtr FY10	Contracting Office Compliance Reviews	ASA(ALT)	FY09 data reviewed with unsatisfactory results. PDASA(P) to issue policy to ensure compliance
3 rd Qtr FY10	Issue QASP policy guidance and training resources to contracting community to work towards correcting QASP portion of material weakness	ASA(ALT)	In process of finalizing materials for issuance no later than May 10. Working.
26 Apr 10	Develop revised corrective action taskers and milestones	ASA(ALT)	Complete revised milestones 26 Apr 10
4 th Qtr FY10	Finalize guidance and management tools associated with establishing a centralized COR database and COR policy that mirrors draft COR DoDI.	ASA(ALT)	Will begin work in May 10.
TBD	Assess COR compliance. Continue to monitor.	ASA(ALT)	
TBD	Assess QASP compliance. Continue to monitor.	ASA(ALT)	
TBD	Request AAA audit	ASA(ALT)	
Targeted Correction Date (Tentative):		2nd Qtr FY	
12			



Expeditionary Contracting

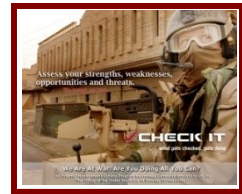


Description: The Army's acquisition workforce is not adequately staffed, trained, structured, or empowered to meet the Army needs. The contracting process is not treated as a core competency. Audit reports conclude that internal controls to mitigate risks in the contracting process are ineffective or nonexistent.

Date	Task Description	OPR	Status
3 rd Qtr FY 09	Conduct Unit Self Inspection utilizing the Management Control Evaluation Checklist	ASA(ALT)	Done. The AFARS has been rewritten and Appendix BB now includes internal control checklists for use by units. Conducted representative unit sample to validate checklist.
26 Apr 10	Develop revised corrective action taskers and milestones	ASA(ALT)	Original scope does not adequately address material weakness. Additional time required to validate.
TBD (FY 11)	Review and assess corrective action progress for prior FY. Validate subtask completion for accuracy and completeness. Request IR validation of subtask completion.	ASA(ALT)	
TBD(FY 12)	Review and assess corrective action progress for prior FY. Validate subtask completion for accuracy and completeness. Request IR validation of subtask completion.	ASA(ALT)	
TBD	Request AAA audit	ASA(ALT)	Request to be made 6 to 9 months prior to internal review completion.
TBD	Review and assess corrective action progress for prior FY. Validate subtask completion for accuracy and completeness. Request IR validation of subtask completion.		
TBD	AAA conducts audit		
Targeted Correction Date (Tentative): 4th Qtr FY13			



Logistics Asset Visibility and Accountability



Description: DOD does not have adequate visibility over all equipment and supplies transported to, within, and from the theaters of operations in support of OIF.

Date	Task Description	OPR	Status
Jul 04	RE: GAO letter dated 18 DEC 03, Subject: Defense Logistics Observation on the Effectiveness of Logistics Activities During OIF, (GAO-04-305R)	Army G-4	
FY 04 - present	DOD memorandum, dated 30 Jul 04, mandated the use of active Radio Frequency Identification (RFID) tags on all container shipments	DUSD	Completed
	Installation of RF ITV infrastructure; RFID read/write sites (currently over 8K)	PM J-AIT/ArmyG-4	Completed
	-Established RF ITV Server (National, Europe, SWA, Pacific) to track assets	PM J-AIT/ArmyG-4	Completed
	-RFID integrated into Standard Army Retail Supply System (SARSS)	Army G-4	Completed
	-Fielding of TC AIM II, PBUSE, Portable Deployment Kits/Movement Tracking System Plus to read/write active RFID tags	Army G-4	Completed
Jan 06		CENTCOM J-4	Completed
Mar 07/Aug 08	CENTCOM regulation 700-4, Subject: Logistics Automatic Identification Technology and ITV, dated 23 Jan 06		
Feb 09	Army published AR 56-4; Distribution of Materiel and Distribution Platform Management, dated Mar 07. AR 700-80; Army In-Transit Visibility, dated Aug 08	Army G-4	Completed
Mar 09	On 5 Feb 09 Army G4 Directorate (DALO-FPDZ) requested AAA (SAAG-ALZ) validate corrective actions and close the materiel weakness.	CENTCOM/ ARCENT/Army G-4	Completed
	CENTCOM/ARCENT and Army G4 published message/guidance of using and attaching Container Intrusion Detection Device (CIDD) active RFID tags on unit move containers deploying/redeploying to and from AOR.		
	•Above policy, technology, training, and information provides adequate visibility and accountability of Army's materiel.		

Targeted Correction Date: 4 Oct FY 11



Logistics Asset Visibility and Accountability



Description: DOD does not have adequate visibility over all equipment and supplies transported to, within, and from the theaters of operations in support of OIF.

Date	Task Description	OPR	Status
Feb 10	Met with AAA to discuss closure of material weakness: Army to submit memo to AAA asserting corrective actions.	Army G-4	Completed
Mar 10	Conducting internal coordination/staffing of memo to AAA for closing material weakness, anticipate signature 19 Apr 2010	Army G-4	Open

Targeted Correction Date: 4th Qtr FY 11



Reporting of New Equipment In-Transit

Description: The U.S. Army lacks internal controls to adequately monitor the shipment and receipt of equipment through the Supply System resulting in unreliable data on the value reported on the U.S. Army's financial statements. This error makes it difficult to gain visibility over the total number of major items, determine maintenance requirements, and redistribute equipment. AAA and G4 restructured the weakness in 2008 to address just Total Package Fielding (TPF) transactions to track equipment in-

transit from the Program Management office to the unit.

Date	Task Description	OPR	Status
January 2008	USAAA Closed the Financial Reporting of Equipment In-Transit Audit Report AA 96-156 Material Weakness and DA-G4 Re-scoped a New Material Weakness to Focus on Total Package Fielding In-Transits		Background
4 th Qtr FY 08			Background
2 nd Qtr FY 09	Developed Flowchart Detailing Equipment In-Transit Process; Revised AR 710-2 to Include Metrics for Closeout of In-Transit Records; Modified Command Supply Discipline Program Checklist to Include the Metrics	G-4	Complete
2 nd Qtr FY 10	Process retesting (Tollgate Control - Transition Brief: 19 October 09) APR 09 Submitted ECP for PBUSE to pull D6S (Receipt Documents); Converted to DRA and Inputted into DAS to Feed CCSS to Close Open Transactions; Actions Being Input into LMP to Ensure Closure of In-Transit Transactions. Initial Pilot Test Results Show an Improvement From 16% Closure Rates to 90% Closure Rates.	G-4	On track
3 rd Qtr FY 10	Request USAAA Validation and Closure Following Tollgate Review	AAA	On track
	AAA conducted entrance brief with key players for audit validation.		



Material Weaknesses – Internal Controls Over Financial Reporting (ICOFR)

- Army currently reports 24 auditor-identified financial reporting material weaknesses for both General Fund (GF) and Working Capital Fund (AWCF).
- These weaknesses transcend nearly every business process in the Army and manifest themselves in the financial statements.
- The Army's financial improvement plan (FIP) guides the actions necessary to correct these weaknesses.
- Functional proponents develop tactical plans to support the Army FIP.



FY09 Auditor Identified Weaknesses

- Financial Management Systems
- Fund Balance with Treasury
- Accounts Receivable
- Inventory and Related Property
- General Property, Plant, and Equipment
- Accounts Payable
- Environmental Liabilities
- Statement of Net Cost
- Intragovernmental Eliminations
- Abnormal Account Balances
- Accounting Adjustments/Other Accounting Entries
- Statement of Budgetary Resources
- Reconciliation of Net Cost of Operations to Budget
- Contingency Payment Audit Trails



Financial Management Systems (GF and AWCF)

Description: Army accounting systems lack a single, standard transaction-driven general ledger.

Date	Task Description	OPR	Status
4 th Qtr FY10	Formally request an FFMIA compliance re-audit on PBUSE from AAA (Army GE FIP, WBS 3.4.4.14) Targeted Correction Date: 2nd Qtr, FY 14	OASA(FM&C)	OASA(FM&C) is on track to engage AAA to review PBUSE data by 4 th Qtr FY 10.



Fund Balance with Treasury (GF)

Description: Appropriation balances recorded in the accounting records do not agree with balances held at Treasury.

Date	Task Description	OPR	Status
4 th Qtr FY12	Implement sustainable process to report Fund Balance with Treasury (FBWT) to include the reconciliation between the Army's balance and the balance at the Department of the Treasury (Army FBWT-GF FIP, WBS 3.1.2) Targeted Correction Date: 4th Qtr, FY 14	DFAS	DFAS provided revised GF FBWT FIP to OASA(FM&C) in March 2010 that includes an expected assertion date of 4 th Qtr FY14.



Inventory (AWCF)

Description: The systems do not maintain historical cost data to comply with Statement of Federal Financial Accounting Standard No. 3. The systems also are unable to produce financial transactions using USSGL.

Date	Task Description	OPR	Status
4 th Qtr FY10	Re-validate that installations are correctly performing physical inventory counts in accordance with AR 740-26 and other applicable guidance (Army Inventory FIP, WBS 3.1.9.3)	AMC	Awaiting verification from AMC G-3 to determine whether physical inventory reconciliations are occurring.
1 st Qtr FY11	Value inventory at Moving Average Cost (MAC) for Depot Maintenance (Army Inventory FIP, WBS 3.1.2.1)	AMC	LMP deployed to AMCOM on 5/14/09. LMP is currently at 67% deployment and on schedule for 1 st Qtr FY11 FOC.
1 st Qtr FY13	Reconcile over-aged inventory in-transit (Army Inventory FIP, WBS 3.1.4.2)	AMC	LMP deployed to AMCOM on 5/14/09. LMP is currently 93% complete on reconciliation efforts.
2 nd Qtr FY14	Monitor & achieve 100% visibility of inventory in-transit (Army Inventory FIP, WBS 3.1.4.1)	AMC	LMP deployed to AMCOM on 5/14/09. LMP is currently at 67% visibility of inventory in-transit.
Targeted Correction Date: 3rd Qtr FY15			



Operating Materials and Supplies (GF)

Description: The systems do not maintain historical cost data to comply with Statement of Federal Financial Accounting Standard No. 3. The systems also are unable to produce financial transactions using USSGL.

Date	Task Description	OPR	Status
4 th Qtr FY10	Perform physical inventory counts in accordance with the AR 740-26 and other applicable guidance (Army OM&S FIP, WBS 3.1.1.5)	AMC	Inventories 31% complete as of 3/31/10 . Anticipate completion date to move right as far as 2 nd Qtr FY14.
4 th Qtr FY10	Ensure adherence to governance requirements for field level physical inventory process. (Army OM&S FIP, WBS 3.1.1.6)	AMC	Inventories 31% complete as of 3/31/10. This task will move in tandem with 3.1.1.5 as needed.
4 th Qtr FY10	Reconcile and monitor in-transit OM&S in LMP (Army OM&S FIP, WBS 3.1.12.4)	AMC	Reconciliation of in-transit OM&S in LMP 6% complete as of 3/31/10.
4 th Qtr FY10	Record a 100% revaluation allowance on OM&S received for disposal and post transactions to the excess accounts (USSGL 1513 or 1524) at MAC in LMP (Army OM&S FIP, WBS 3.1.14.1)	AMC	Revaluation allowances posted in LMP 19% complete as of 3/31/10.
4 th Qtr FY12	Provide audit readiness validation plan (Inventory and Related Property) to OASA(FM&C) (Army OM&S FIP, WBS 1.7.3)	G-4	G-4 personnel turnover has caused delays in developing & finalizing the audit readiness validation plan.
	Targeted Correction Date: 3rd Qtr FY15		



General PP&E - General Equipment (GF and AWCF)

Description: Data contained in property accountability systems is not accurate.

Date	Task Description	OPR	Status
4 th Qtr FY10	Conduct review to verify the accuracy of the personal property data within PBUSE (SFFAS #6, SFFAS #3) (Army GE FIP, WBS 3.1.1.1.2.1.7)	AAA	OASA(FM&C) is on track to engage AAA to review PBUSE data by 4 th Qtr FY 10.
4 th Qtr FY10	Formally request an FFMIA compliance re-audit on PBUSE from AAA (Army GE FIP, WBS 3.4.4.14)	OASA(FM&C)	OASA(FM&C) is on track to engage AAA to review PBUSE data by 4 th Qtr FY 10.
2 nd Qtr FY11	Assert Existence and Completeness (E&C) of quick win mission critical assets (Army GE FIP, WBS 3.1.1.1.2.8.1.2.1.1)	OASA(FM&C)	Travel teams deployed to conduct E&C discovery and evaluation work of Army defined "quick-win" asset (fire & rescue equipment).
	Targeted Correction Date: 4th Qtr FY 14		



General PP&E – Military Equipment (GF and AWCF)

Description: Military Equipment is not recorded at acquisition or historical cost.

Date	Task Description	OPR	Status
3 rd Qtr FY10	Develop functionality within Financial Statement Tool (FST) to financially report military equipment	OASA(FM&C)	The ME-FST user interface, data migration, beta testing and report generation all function properly and can be utilized for Army's military equipment financial reporting. Currently awaiting Authority to Operate by CIO/G-6 in order to go-live. Continued developing DIACAP Implementation Plan for CIO-/G-6 approval.
2 nd Qtr FY11	Reconcile Military Equipment with Army logistical/ accountability and accounting systems of record (Army ME FIP, WBS 3.11)	AAA	Exploring mapping of data between ME-FST data and PBUSE. AAA has not initiated reconciliation process or provided a revised completion date.
2 nd Qtr FY 11	Assert Existence and Completeness (E&C) of quick win mission critical assets (Army ME FIP, WBS 3.13.10.1.2.1.1) Targeted Correction Date: 1st Qtr FY15	OASA(FM&C)	Travel teams deployed to conduct E&C discovery work of Army defined "quick-win" ME assets: Apache AH-64D, 900 Series Small Tug, All-Source System Analysis-Light, Aircraft Utility UC-35A.



General PP&E - Real Property (GF and AWCf)

Description: Real Property is not recorded at acquisition or historical cost and did not include all costs

~~needed to bring the assets to a form and location suitable for their intended use.~~

Date	Task Description	OPR	Status
4 th Qtr FY 12	Compile source documentation for all capitalized real property. (Army RIP FIP, WBS 3.1.2)	OACSIM	OACSIM continues to execute the audit readiness handbook in support of improving real property data integrity.
4 th Qtr FY 12	Implement sustainable business process to report Real Property (Army RP FIP, WBS 3.1.3)	OACSIM	OACSIM continues to execute the audit readiness handbook in support of improving real property data integrity.
1 st Qtr FY 11	Obtain AAA certification that PRIDE Web substantially complies with all identified requirements based on the current version of the DFAS Blue Book and JFMIP (Army RP FIP, WBS 3.1.5.10)	ARNG	ARNG expects to undergo an FFMIA compliance audit during CY 2010 and currently has a team in place to finish by 12/31/10.
1 st Qtr FY 11	Conduct FFMIA compliance audit on the added PRIDE Web enhancements and provide report on the system compliance status (Army RP FIP, WBS 3.1.5.11) Targeted Correction Date: 1st Qtr FY 13	AAA	ARNG expects to undergo an FFMIA compliance audit during CY 2010 and currently has a team in place to finish by 12/31/10.



Environmental Liabilities (GF)

Description: The Army needs improvement in properly estimating and reporting its environmental liabilities.

Date	Task Description	OPR	Status
4 th Qtr FY10	Provide audit readiness validation plan for Active Installations-Installation Restoration Program (IRP) Building Demolition and Debris Removal (DB/DR), Active Installations Military Munitions Response Program (MMRP), Formerly Used Defense Sites (FUDS) IRP and BD/DR, FUDS MMRP, Non-Base Realignment and Closure (BRAC) Environmental Corrective Action (ECA), Non-BRAC Environmental Response at Operational Ranges, Non-BRAC Asbestos (Army EL FIP, WBS 3.1.6, 3.2.8, 3.3.5, 3.4.7, 3.5.5, 3.7.5, 3.8.4)	OACSIM	AAA has performed attestation efforts for select EL programs. These efforts, combined with anticipated validation efforts in FY 10, will provide input for the audit readiness plans.
1 st Qtr FY 11	Provide audit readiness validation plan for BRAC IRP, BRAC (MMRP), BRAC Environmental Corrective Action/Closure Requirements (ECA/CR), BRAC Asbestos (Army EL FIP, WBS 3.11.6, 3.12.8, 3.13.6, 3.14.6)	OACSIM	AAA review currently underway. OACSIM will request AAA to perform an attestation in FY 10.
1 st Qtr FY 11	Provide audit readiness validation plan for Military Equipment/Weapons Programs: Non-Nuclear Powered Military Equipment, Other National Defense Weapons Systems (Army EL FIP, WBS 3.15.4, 3.16.4)	OASA(ALT)	OASA(ALT) waiting for FASAB to finalize guidance on the reporting process for disposal liabilities.
Targeted Correction Date: 1st Qtr FY 13			



Intragovernmental Eliminations (GF and AWCF)

Description: DoD is unable to collect, exchange, and reconcile buyer and seller Intragovernmental transactions, resulting in adjustments that cannot be verified.

Date	Task Description	OPR	Status
4 th Qtr FY 09	Working with OUSD(C) and BTA to determine feasibility of an OSD enterprise solution	OASA(FM&C)	FOF initiated an IVAN pilot effort on 1 October for level 1 and level 2 transactions with AMC community at Aberdeen Proving Ground.
1 st Qtr FY 11	Full operational capability of LMP	AMC	LMP on schedule for 1 st Qtr FY 11 FOC.
2 nd Qtr FY 12	Full operational capability of GFEBS	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 FOC. OASA(FM&C) attended a briefing by GFEBS with an a FOC date of 1/31/12.
	Targeted Correction Date: 2nd Qtr FY 12		



Accounting Adjustments (GF) / Other Accounting Entries (AWCF)

Description: DFAS made unsupported journal voucher entries (adjustments) in preparation of the GF and AWCF financial statements. The Army does not possess adequate support for these adjustments.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full operational capability of LMP	AMC	LMP on schedule for 1 st Qtr FY 11 FOC.
2 nd Qtr FY 12	Full operational capability of GFEBS	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 FOC.
	Targeted Correction Date: 2 nd Qtr FY12		



Accounts Receivable (GF)

Description: The Army has acknowledged weaknesses in its management of Accounts Receivable. This affects both public and intragovernmental receivables.

Date	Task Description	OPR	Status
1 st Qtr FY 10	Accurately Record Accounts Receivable due to criminal and civil fraud recovery (Public) (Public) (DFAS AP Financial Improvement Plan, 1.2.9) Targeted Correction Date: 1st Qtr, FY 11	TJAG	MOA was staffed between DFAS, DOJ, OTJAG and CID, but signature by DFAS was delayed due to priority. Task is 84% complete.



Accounts Payable (GF and AWCF)

Description: The Army is unable to properly account for and report Accounts Payable.

Date	Task Description	OPR	Status
Completed (12/31/2009)	MOCAS clean-up activity periods 3,4 & 5 (DFAS AP Financial Improvement Plan, WBS 3.6.5.5.3, 3.6.5.5.4, 3.6.5.5.5)	DFAS	DFAS Standards & Compliance, AP completed all MOCAS clean-up activity periods. DFAS is monitoring progress to ensure FY10 compliance with established goal (\$29M).
Completed (3/31/2010)	MOCAS clean-up activity period 6 (DFAS AP Financial Improvement Plan, WBS 3.6.5.5.6)	DFAS	
Completed (3/31/2010)	Maintain and modify standard procedures for reconciling Accounts Payable (DFAS AP Financial Improvement Plan, WBS 3.6.5.6)	DFAS	
2 nd Qtr FY 12	GFEBs release 1.3 to replace Computerized Accounts Payable System (CAPS) (Army Other FIP, WBS 3.6.4.5.7.4)	OASA(FM&C)	DFAS Standards & Compliance, AP completed the standard procedure for reconciling MOCAS transactions. Version control is in place when enhancements are discovered. GFEBs release 1.2 subsumed CAPS functionality for current payables. Task was pushed to 12/31/11 to coincide with GFEBs FOC date.
	Targeted Correction Date: 1st Qtr FY 13		



Statement of Net Cost (GF and AWCF)

Description: The financial information contained in the Statement of Net Cost is not presented by programs that align with major goals and outputs described in the DoD strategic and performance plans required by the GPRA.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full operational capability of LMP	AMC	LMP on schedule for 1st Qtr FY 11 FOC.
2 nd Qtr FY 12	Full operational capability of GFEBS	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 FOC.
	Targeted Correction Date: 2nd Qtr FY 12		



Abnormal Account Balances (GF and WCF)

Description: DFAS Indianapolis did not detect, report, or take action to eliminate abnormal balances included in the Army General Fund and Army Working Capital Fund accounting records.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full operational capability of LMP	AMC	LMP on schedule for 1 st Qtr FY 11 FOC.
2 nd Qtr FY 12	Full operational capability of GFEBS	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 FOC.
	Targeted Correction Date: 2nd Qtr FY12		



Statement of Budgetary Resources (GF and AWCF)

Description: The Army accounting systems do not provide or capture data needed for obligations incurred or prior year obligations recovered in accordance with OMB Circular No. A-11.

Date	Task Description	OPR	Status
4 th Qtr FY 10	Assert Appropriations Received	OASA(FM&C)	OUSD(C) has provided resources to prepare appropriations received assertion package. Assertion is on track as scheduled for 4 th Qtr FY 10.
4 th Qtr FY 10	Complete discovery of SBR assessable units. (Civilian Pay, Military Pay)	OUSD(C)	OUSD(C) has provided resources to conduct discovery efforts. Discovery is on track to finish 4 th Qtr FY 10.
2 nd Qtr FY 11	Complete discovery of SBR assessable units. (Reimbursable Authority, TDY and PCS Travel, Contracts, Financial Reporting)	OASA(FM&C)	Completed discovery efforts at ARNG-NGB, OA22, PEO Solider and INSCOM. Forts Jackson, Benning and Stewart began 12 April.
2 nd Qtr FY 12	Full operational capability of GFEBS	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 FOC.
1 st Qtr FY 13	Initial assertion of GFEBS-only SBR	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 FOC.
	Targeted Correction Date: 1st Qtr FY 15		



Reconciliation of Net Cost of Operations to Budget (GF and AWCF)

Description: The Army General Fund and Working Capital Fund are unable to accurately represent the relationship between budgetary obligations incurred and its Statement of Net Costs.

Date	Task Description	OPR	Status
1 st Qtr FY 10	Identify all responsibility segments and reportable cost centers within DoD (Army Other FIP, WBS 3.2.1.1.1.4)	OUSD(C)	This task relates to SFIS II implementation
1 st Qtr FY 13	Prepare note to the financial statements for adjustments for offsetting charges for current period general PP&E clean-up cost (Army Other FIP, WBS 3.2.1.1.1.13)	OASA(ALT)	Army currently does not have a system of record to capture general equipment clean up costs.
	Targeted Correction Date: 1st Qtr FY13		



Contingency Payment Audit Trails (GF)

Description: The maintenance of substantiating documents by certifying and entitlement activities creates significant challenges in tracing audit trails for support of Army General Fund

Date	Task Description financial statements.	OPR	Status
2 nd Qtr FY 11	Correct identified deficiencies in Contingency Payment Audit Trails (Army Other FIP, WBS 3.7.2.9)	OASA(FM&C)	97.6% of 206,000 disbursement vouchers included required documentation, signatures, and data elements when initially received by DFAS Rome.
2 nd Qtr FY 11	Implement auditor recommendations from audit report A-2009-0173-ALL- Audit of controls over vendor payments -Kuwait (phase I-US Army Contracting Command, Southwest Asia, Camp Arifjan, Kuwait) (Army Other FIP, WBS 3.7.2.9.1)	OASA(FM&C)	Due to recent discussions between AAA and OASA(FM&C), this weakness may be closed out and re-opened as multiple material weaknesses, based on the results of an on-going AAA audit. OASA(FM&C) will continue to monitor progress until instructed otherwise by AAA.
Targeted Correction Date: 2nd Qtr FY 11			



What's Next?

Our next SLSG is:

July 15, 2010

1300-1400

Pentagon Conference Center

Room B2

Thank you for your continued
support.